

SENATE SUBSTITUTE
FOR
HOUSE COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 58

AN ACT

To repeal section 379.1510, RSMo, and to enact in lieu thereof one new section relating to portable electronics insurance, with an emergency clause.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF MISSOURI,
AS FOLLOWS:

1 Section A. Section 379.1510, RSMo, is repealed and one new
2 section enacted in lieu thereof, to be known as section 379.1510,
3 to read as follows:

4 379.1510. 1. A vendor shall have the obligation to ensure
5 that every location that is authorized to sell, solicit, or
6 negotiate portable electronics insurance to customers shall have
7 specific brochures [and actual policies or certificates of
8 coverage] available to prospective customers which:

9 (1) Disclose that portable electronics insurance may
10 provide a duplication of coverage already provided by a
11 customer's homeowner's, renter's, or other source of coverage[,
12 and that the portable electronics insurance coverage is primary
13 over any other collateral coverage];

14 (2) State that the enrollment by the customer in a portable
15 electronics insurance program is not required in order to
16 purchase or lease portable electronics or services;

1 (3) Summarize the material terms of the insurance coverage,
2 including:

3 (a) The identity of the insurer;

4 (b) The identity of the supervising business entity;

5 (c) The amount of any applicable deductible and how it is
6 to be paid;

7 (d) Benefits of the coverage; and

8 (e) Key terms and conditions of coverage, such as whether
9 portable electronics may be repaired or replaced with similar
10 make and model reconditioned or nonoriginal manufacturer parts or
11 equipment;

12 (4) Summarize the process for filing a claim, including any
13 requirement to return portable electronics and the maximum fee
14 applicable in the event the customer fails to comply with any
15 equipment return requirements; and

16 (5) State that the customer may cancel enrollment for
17 coverage under a portable electronics insurance policy at any
18 time and receive a refund of any unearned premium on a pro rata
19 basis.

20 2. Eligibility and underwriting standards for customers
21 electing to enroll in coverage shall be established for each
22 portable electronics insurance program. Each insurer shall
23 maintain all eligibility and underwriting records for a period of
24 five years. Portable electronics insurance issued under sections
25 379.1500 to 379.1550 shall be deemed primary coverage over any
26 other collateral coverage and any policy or certificate of
27 coverage issued subsequent to January 1, 2015, shall contain a
28 disclosure to that effect. A policy or certificate of coverage

1 shall be made available to prospective customers at the point of
2 sale or delivered to an enrolled customer within sixty days from
3 the date a customer enrolls for coverage.

4 3. Insurers offering portable electronics insurance
5 coverage through vendors shall appoint a supervising business
6 entity to supervise the administration of the program. The
7 supervising business entity shall be responsible for the
8 development of a training program for employees and authorized
9 representatives of a vendor, and shall include basic instruction
10 about the portable electronics insurance offered to customers and
11 the disclosures required under this section.

12 4. Insurers and applicable supervising business entities
13 offering portable electronics insurance shall share all
14 complaint, grievance, or inquiries regarding any conduct that is
15 specific to a vendor and that may not comply with applicable
16 state laws and regulations.

17 5. A supervising business entity shall maintain a registry
18 of vendor locations which are authorized to sell or solicit
19 portable electronics insurance coverage in this state. Upon
20 request by the director and with ten days' notice to the
21 supervising business entity, the registry shall be open to
22 inspection and examination by the director during regular
23 business hours of the supervising business entity.

24 6. Within thirty days of a supervising business entity
25 terminating a vendor location's appointment to sell or solicit
26 portable electronics insurance, the supervising business entity
27 shall update the registry with the effective date of termination.
28 If a supervising business entity has possession of information

1 relating to any cause for discipline under section 375.141, the
2 supervising business entity shall notify the director of such
3 information in writing. The privileges and immunities applicable
4 to insurers under section 375.022 shall apply to supervising
5 business entities for any information reported under this
6 subsection.

7 7. The supervising business entity shall not charge a fee
8 for adding or removing a vendor location from the registry.

9 8. No employee or authorized representative of a vendor
10 shall advertise, represent, or otherwise hold himself or herself
11 out as an insurance producer, unless such employee or authorized
12 representative is otherwise licensed as an insurance producer.

13 9. The training required in subsection 3 of this section
14 shall be delivered to all employees and authorized
15 representatives of the vendors who are directly engaged in the
16 activity of selling portable electronics insurance in this state.
17 The training may be provided in electronic form. However, if
18 conducted in an electronic form, the supervising business entity
19 shall implement a supplemental education program regarding the
20 portable electronics insurance product that is conducted and
21 overseen by licensed employees of the supervising business
22 entity.

23 10. The charges for portable electronics insurance coverage
24 may be billed and collected by the vendor. Any charge to the
25 customer that is not included in the cost associated with the
26 purchase or lease of portable electronics or related services
27 shall be separately itemized on the customer's bill. If the
28 portable electronics insurance is included in the purchase or

1 lease of portable electronics or related services, the vendor
2 shall clearly and conspicuously disclose to the customer that the
3 portable electronics insurance coverage is included with the
4 portable electronics or related services. Vendors billing and
5 collecting such charges shall not be required to maintain such
6 funds in a segregated account, provided that the insurer
7 authorized the vendor to hold such funds in an alternative manner
8 and remits such amounts to the supervising business entity within
9 forty-five days of receipt. All funds received by a vendor from
10 a customer for the sale of portable electronics insurance shall
11 be considered funds held in trust by the vendor in a fiduciary
12 capacity for the benefit of the insurer. Vendors shall maintain
13 all records related to the purchase of portable electronics
14 insurance for a period of three years from the date of purchase.

15 Section B. Because of the need to provide efficient notice
16 to customers regarding primary insurance coverage for portable
17 electronics, the repeal and reenactment of section 379.1510 of
18 this act is deemed necessary for the immediate preservation of
19 the public health, welfare, peace, and safety, and is hereby
20 declared to be an emergency act within the meaning of the
21 constitution, and the repeal and reenactment of section 379.1510
22 of this act shall be in full force and effect upon its passage
23 and approval.